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ABSTRACT

This document details the purposes and principles of community audits and presents guidelines for designing and conducting a community audit to assess a local community's workforce development needs and resources. Section 1 presents an overview of the U.S. Department of Labor's Community Audit Project and explains the following key steps in launching a successful community audit: defining the goals; building the stakeholder partnership; determining the scope; selecting methods and an approach; finding the resources; utilizing the resources; and determining the products. Section 2 explains the following techniques for conducting a baseline community audit: defining the geographic scope; finding the data; analyzing the demand side; analyzing the supply side; mapping the community's assets; and determining who should conduct the research. Section 3 discusses the following specialized community audits and techniques: sector and cluster analysis; detailed occupation and skill analysis; mapping career ladders; vacancy surveys, identification of skills shortages; use of rapid response and job developers; and business visitation programs. Section 4 explains how to use the following tools and strategies to tailor community audits to support local strategies: employing/reemploying a target population; sectoral strategies; layoff aversion strategies; employer-focused training; high roads strategies; community career ladders; and skills standards. (MN)

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ED 474 309

Assessing the Workforce Development Needs And Resources of Your Community

CONDUCTING A COMMUNITY AUDIT

Prepared by Workforce Learning Strategies
For the
Employment and Training Administration
Office of Adult Services
August 2000

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Section One

WHAT *IS* A COMMUNITY AUDIT?

6

INTRODUCTION

Background

Today the American economy is stronger than it has been in a generation. At the same time, the new economy is a turbulent one. Firms and even whole industries are being born and are dying at an unprecedented rate. New technologies, and new products based on them, are introduced almost daily.

The result is a chaotic labor market:

- Workers have trouble getting information about career opportunities and career paths. They don't know where the good jobs are or how to access them.
- Firms struggle to find employees with the right skills since their needs are changing so rapidly.
- Education and training providers must scramble to keep up with these changes and frequently are unable to do.

In short, *the speed of transformation in local economies is creating critical information gaps.*

At the same time, the efficient and effective functioning of the labor market is more important than it has ever been. In region after region throughout America, labor shortages are the number one impediment to economic growth. Timely, accurate, and detailed information is the first step in addressing this problem.

USDOL's Community Audit Project

This is the context for the USDOL Community Audit Project. Launched by Secretary Alexis M. Herman in 1999, community audits are envisioned as a means by which key local stakeholders can better understand business and labor force trends and, on that basis, developed informed strategies to respond to worker and business needs.

Community audits bring together information on economic and labor market trends to support both strategic planning and WIA program operations. They vary in scope and

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purpose, depending on their precise goals. However, all depend on a common base of information about the regional labor market—both its demand and its supply sides--and about the kinds of workforce development and other critical resources available (such as housing, child care, transportation, supportive services, and so on).

A community audit is fundamentally a strategic planning effort that involves all relevant stakeholders. Through community audits, local leaders can assess what new skills may be in demand in growth sectors of their economy and where a decline in demand for certain skills may signal future layoffs. On that basis, they can mobilize the resources at their disposal to more effectively match labor supply and labor demand. As one very experienced practitioner put it: "Community audits provide you with a sense of your options".

LAUNCHING A SUCCESSFUL COMMUNITY AUDIT

A community audit is not an empty exercise. Its purpose is to provide useful information to key local stakeholders, including firms and workers—as well as policymakers, workforce and economic development practitioners, and educators. In other words, community audits are *strategic research*, not academic research. Those who regularly conduct community audits never talk about just presenting data; instead they insist on the need to tell a compelling *story*.

Community audits provide stakeholders in a local area the information they need to develop a shared view of the critical economic and social challenges that confront them and a forum within which they can find solutions. Community audits focus not only on the *needs* of a community, but also on its *assets*.

Defining the Goals

The first step in launching a community audit effort is to define its goals as specifically as possible. Is the audit a general one, aimed at providing an overall picture of the structure and composition of a local/regional economy and a detailing of its available resources? Or, alternatively does the audit have a more specific target? For example, audits can be designed to determine the needs of and resources available to a particular industry, such

as health care. Or the focus can be on a particular population group, such as former welfare recipients.

The goals of each audit will shape everything about its design and execution. The goals determine:

- The stakeholder partnership—that is, who is brought together to provide direction to the project;
- The customer(s)—that is, the expected end user or users of the information that is gathered by the project;
- The scope of the project—that is, the breadth and depth of its analysis;
- The methods used to gather the data and the data sources themselves;
- The resources available to support the project;
- And how the final results get used.

What are the likely goals for community audits? The list of all possible goals would be a very long one, but some of the more common[1] include the following:

- **Creating overarching strategic plans for workforce development in a region**. The Workforce Investment Act charges Workforce Investment Boards with wide-ranging responsibility for workforce development within their communities and it continues support for rapid response with an even greater emphasis on proactive interventions to anticipate and prevent the most harmful impacts of large layoffs. WIA also encourages WIBs to think and act in terms of labor market areas and, as such, promotes regional cooperation among WIBs. To successfully meet these new challenges, WIBs across the country are looking for ways to get the information they need to understand their labor markets and communities and to make informed, long-term strategic decisions.

- **Developing workforce development strategies aimed a addressing the needs of particular population groups**. Although the Workforce Investment Act promises universal service, frequently Workforce Investment Boards (as well as other stakeholders within a community) also have reason to target specific population groups and devise strategies appropriate to their special needs. These special groups can range from dislocated high technology workers to former welfare recipients. Targeted community audits are useful in these cases. Such an audit focuses on those industries and occupations likely to employ (or re-employ) the targeted population group and on the skills and needs of those workers.

[1] Of course, these goals are not mutually exclusive. Many—if not all—community audits are conducted for multiple reasons.

- **Developing strategies aimed at particular groups of firms or industries**. Interest in developing strategies aimed at groups of firms began in the field of economic development but has made its way into the workforce development arena. These are often called sectoral strategies.

  Sector strategies entail targeting a set of employers that share a set of common characteristics (such as labor force needs). The idea of a sectoral intervention is to work with groups of firms to address a public policy concern and, at the same time, solve one or more common problem that the firms share. For example, a local area might target a group of employers in the health care industry to both employ hard-to-place former welfare recipients and solve a labor shortage problem for the industry. USDOL's Regional Skills Partnership initiative and its H-1B Technical Skill Training Grant Program are both examples of sector approaches.

  A specialized community audit is the logical first step in such a strategic approach. The purpose of the audit is to more fully understand the competitive challenges and labor force needs of the target industry, to identify where skill gaps exists, and so on.

- **Developing pro-active layoff aversion strategies**. Historically the employment and training system has placed more emphasis on responding to layoffs and closings than on preventing them. However, WIA is encouraging states and local areas to make layoff prevention a priority. Layoff aversion strategies range from effective early warning networks to rapid response to sectoral strategies aimed at improving the competitiveness of an industry to firm retention strategies (including customized and incumbent worker training, business visitation programs, manufacturing modernization programs, and so on). To implement any of these approaches, local areas need sophisticated information on local industry and business trends.

- **Providing consumers with the information they need to make informed decisions**. One of the signature features of the Workforce Investment Act is its commitment to place decision-making in the hands of the consumer. But if consumers are to make informed career decisions, they must have timely and high quality information. One goal of many community audit is to develop informational "products" for use by consumers.

- **Ensuring that education and training providers are responsive to the needs of the labor market**. In the face of rapid economic change, education and training providers find it hard to keep pace. An implicit—and often explicit—goal of many community audits is to forge tighter linkages between employers and educational institutions so as to improve the relevance of their offerings.

- **Establishing performance standards (such as wage/income goals) for public programs**. Accountability is another hallmark of the WIA legislation. In response, there is a serious effort on the part of many states and local areas to establish meaningful standards and benchmarks for their workforce development programs. To do so, policymakers and local leaders need to know which firms, occupations and industries will contribute most to the economic and social health of their region. Community audits can provide them this information.

Building the Stakeholder Partnership

Because community audits are the front-end of a broader strategic planning effort, they are often initiated by collaborations of key stakeholders within a region. These partnerships typically include employers and employer organizations, unions, economic development agencies, social service agencies, community-based organizations, and educational institutions, as well as the employment and training community.

Of course, the relevant stakeholders will be different depending on the goal of the project. For example, if the project is focused on a particular industry, it will look different from a project focused on the economy overall. In all cases, however, a broad-based partnership that not only includes the important stakeholders but engages them in an active way is critical to the success of a community audit project.

This is particularly true of the employer community. For community audits to be successful they almost always require the full cooperation of at least some sectors of business since much of the needed information can only be obtained from firms and workers. Employers are also essential to implementing the findings of the audit.

For some of the same reasons, unions also are particularly valuable partners. Unions often have a bigger picture perspective than individual employers since they look across an entire industry. At the same time, their members may know better than anyone what kinds of skills a job requires.

Other important stakeholders include community-based organizations that can provide access into the neighborhood they serve; economic development organizations that often have a wealth of experience analyzing local economies and working with local firms; and educational institutions that regularly conduct labor market audits of their own and that are central to the design and delivery of education and training programs.

To take full advantage of the wealth of experience and knowledge these partners bring to the table, the stakeholder partnership must structure itself to invite and encourage active participation, for example through the use of subcommittees. In most cases, partners will not have a lot of time to devote to the project so the structure must maximize input without burdening members with day-to-day issues and problems.

In some cases, all the important stakeholders cannot be active participants in the design, oversight, and implementation of the community audit. Here, the project needs to seek other avenues of input both to ensure the accuracy of the information gathered and real commitment to the conclusions reached.

In the development of stakeholder partnerships, however, one point cannot be overemphasized: *Successful community audits are never simply staff-driven* (that is, by the staff of an agency or organization). A community audit that does not fully engage the relevant community cannot have any meaningful impact.

Finally, the process of conducting a community audit frequently uncovers new partners. Said one practitioner: "As you start to put the story together, your story actually finds the right partners. The important thing is not to turn them down. Traditional research models would tell you that including these partners will bias your data. That's crazy. It's the only way to get meaningful information."

Determining the Scope

After defining the goals of a community audit, the local partnership needs to determine the *scope* of the project. This includes both its breadth and depth. That is, communities need to decide the geographic reach of the audit as well as its level of detail.

In general, the geography of a community audit should correspond to the boundaries of an actual labor market, as defined by commute patterns, patterns of economic activity, and so on. Too often, projects such as these are limited by political boundaries (such as the boundaries of a city or town) that poorly reflect the way in which the labor market actually functions. This is also a common problem in the data generally available to WIBs that tends to be confined to the Workforce Investment Area[2]. (In most cases, the Workforce Investment Area is smaller than the regional labor market, though in some cases a Workforce Investment Area may contain multiple labor markets.)

Regarding the "depth" of the analysis, again the appropriate level and detail depends entirely on the project's goals. Projects that are attempting to gain a broad overview of a region or an industry or set of industries may not need the same level of detail about specific skills and occupations than a project that is focused on building career ladders or addressing skills shortages within a particular industry.

It is important to remember that mapping community assets is a central component of the analysis. Since examining assets is relatively new to workforce development, there are fewer established data sources available. But here also the scope and detail of the data gathered depend on the project's goals.

[2] Formerly the SDA.

Selecting Methods and Approach

The sources of information and methods used to conduct community audits correspond to the purpose of each and, to the extent possible, engages stakeholders in the process of information gathering.

Much of the labor market data that are needed are publicly available and readily accessible. The three major federal sources of labor market data are the Census Bureau, the Bureau of Labor Statistics, and the Bureau of Economic Analysis.

However, for a community audit to inform strategy, data needs to be transformed into information. The WIB and the stakeholder partnership must be able to tell a compelling story about the present and possible future of their community and local economy.

Therefore, in conducting a community audit it is usually necessary to go beyond traditional secondary sources. Two of the biggest problems with available data are "dating" problems and "level of analysis" problems—and frequently there is a trade off between them. That is to say, often the best and most detailed information is out of date. (A good example is the Census that, while providing a wealth of useful detail, is now more than a decade old.) More current sources of information tend to be less finely focused. There are other problems with available data also, such as the fact that most are based on the categories of the "old" economy and don't do a good job of capturing the current reality.

In general, however, there are some questions that are better answered through "primary" research—that is, by talking directly to employers and workers. The process of information gathering can also be a means through which stakeholders are engaged in the effort to understand their community and through which they can begin to build consensus about problems and solutions. As such, when it is practical community audits should involve employers and community members in conducting the "research".

This kind of hands on research is also a way of hearing the customer's voice. Workers and employers both can make their perspective heard when community audits use focus groups, interviews, and other similar methods.

Finally, data for analyzing the other relevant needs of a community—such as the sufficiency of childcare provision or the transportation system—are less readily available in a form that is useful without "massaging" or without additional primary research.

Similarly there are no readily available databases for mapping the assets of a community, beginning with its workforce development assets. Most local areas do not even know the range of programs provided by the *required* WIA partners. To obtain this information, local areas generally need to implement a survey of their own. The same is true if the aim is to identify all the various programs, institutions, and funding streams available in areas such as labor exchange, training, case management, and supportive services (such

as child care, mental health, services for the disabled, services for immigrants and refugees, and so on.)

A variety of specialized methods are available to support targeted components of community audits. These include the following:

- **Sector and cluster analysis**. As an analytical tool, sector analysis is the next logical step after a "basic" audit has been completed. Basic audits prove a map of the labor market and resource base in a region. Sector analysis identifies the industries in which the region has a competitive advantage.

- **Occupational and skills analysis.** Similarly, basic community audits provide insight into broad occupational trends that can be translated into skill trends. Frequently, however, job seekers, educational institutions, employment and training professionals, policymakers and others need much more detailed information about the changing character of jobs and skill requirements. Some of this information can be gathered from secondary sources, such as O*Net (U.S. Department of Labor's Occupational Information Network). However, in general detailed job and skill data needs to be gathered through surveys, interviews, and focus groups.

- **Career ladder mapping.** One of the more disturbing characteristics of the "new" economy is that career paths are increasingly unclear to workers. One problem is that many career paths now cross firms, that is, to move up the ladder a worker needs to move from one firm (and in some cases, from one industry) to another. Career ladder maps uncover these "hidden" paths and make that information readily available to workers.

- **Identification of critical skills shortages.** In an era of rapid technological change and extraordinarily tight labor markets, the question of how to accurately identify—and respond to--skills shortages has taken on special urgency. In general, available secondary source data are *not* useful. This makes the task especially challenging. Local areas use a variety of "primary research" techniques, such as surveying local employers and convening focus groups.

Who should conduct the research? There is nothing so technically complicated about much of the research involved in a community audit that it requires an economist. Much of the research could be done by staff of a WIB or other local organization. However, very often these staff do not have the time to commit to such an effort. Also, some of the more specialized techniques are better implemented by experts. Therefore it generally makes sense for local organizations to contract out some or all of the work.

However, two critical caveats are in order. First, as just suggested, some of the research—the "primary" research—involves going out into the community or into firms and talking to employers, workers, citizens, and other stakeholders. There are many good

reasons why a WIB and its partner organizations would want to conduct this part of the research themselves. Second, under no circumstances can the work of a community audit be "turned over" to experts. It is absolutely critical that the stakeholder partnership remains firmly in the driver's seat even when it chooses to contract out part of the research. The partnership must set both the broad goals and the specific expectations for its contractors if it is to end up with a useful product.

Finding the Resources

How do local areas financially support community audits? By combining the resources of all the key stakeholders.

Around the country, a wide variety of resources have been used to support community audits. Since community audits have multiple stakeholders, these partners can bring their resources to the table to support the work being undertaken.

Partnership and collaboration are central to the success of community audits in most respects, including their financial support. In a very real way, whether an organizations is willing to devote resources to the project is an important signal of its level of commitment.

Collaborative community audits are also a way to *conserve* precious local resources. It is important to remember that many of the same stakeholders who would be brought together in a community audit project already conduct labor market and other kinds of surveys for their own purposes. This includes firms, employer organizations, unions, philanthropic organizations, economic development organizations, educational institutions and so on. Much of this work is piecemeal and duplicative. By joining forces, they can often get a better product that all can share at a reduced collective cost.

This is true not only within communities, but across them as well. Remember that genuine economic labor markets usually include numbers of towns and/or SDA areas. As such, regional partnerships including several towns and several Workforce Investment Boards generally make good sense.

Utilizing the Results

Ultimately the real test of how effective a community audit is lies in how its results are used. Ensuring that the audit is more than a paper exercise begins when the stakeholder partnership is assembled. This body not only has to be broadly representative of all key stakeholders, it also must have the authority to do something meaningful with the results.

All partner organizations need to be represented by decision-makers. In the case of employer representatives, often it is also important that they are able to speak broadly for their industry—rather than simply for their firm. It is also important to ensure that the stakeholder partnership is supported by competent and well-trained staff.

From the beginning, the purpose and goals of the audit need to be clearly articulated and supported by all partners. And from the beginning there needs to be a common commitment to use the information gathered strategically and practically to shape programs and policy.

One form this can take is simply ensuring full discussion of the results. This can be done by holding small meetings of key local decision-makers and/or larger conferences where much of the community is invited to hear about and discuss the results of the research. If the information gathered by the audit actually tells a compelling story about the community—its economy and its resources—such a conversation can be extremely powerful and valuable. Often it will be the first time a community has had the tools to permit it to begin to make strategic decisions in response to common problems or concerns.

However, as someone who has conducted many such audits put it: "A community needs to be prepared for opportunity to strike". By engaging in this process, communities are likely to uncover exciting new possibilities but they will have wasted their time if they fail to act on them.

Finally, community audits will far less useful if they are one-shot efforts. Whether the project is focused on strategic planning for a region or designing a program for an industry or set of industries, it is impossible to achieve meaningful results overnight. In fact, efforts that do not commit to a long-term time horizon are unlikely to get the support they need from the private sector—for good reason. As such, from the inception of a community audit project, the stakeholder partnership has to confront the question of how to sustain itself.

Determining the Products

The products of a community audit can take a variety of forms—from accessible data bases for use by job seekers and career counselors to formal reports to decision makers to informational brochures for the community. The products of each audit correspond to its purposes and goals.

In fact, in some cases the community audit may result in no formal "product". Instead, the information it generates is translated into program design, curricula development, policy decisions, and so on. Its product, then, takes a living form—far more effective than glitzy reports that gather dust on decision-makers bookshelves.

Whatever form they take, the products of a community audit need to be accessible by and useful to their intended audience. They also need to be timely and updated frequently. As such, increasingly communities are creating interactive products to improve their accessibility and relevance.

Conclusion

This resource manual is intended to introduce Workforce Investment Boards and other local stakeholders to the ways in which community audits can enhance the effectiveness of their workforce development initiatives. It is also intended to provide some support to local areas interested in launching their own community audits. The Department hopes that their Community Audit Project not only will stimulate interest at the local level, but also will result in the development of a real "learning community" among local areas.

Section Two

METHODS FOR CONDUCTING A BASELINE COMMUNITY AUDIT: GETTING THE LAY OF THE LAND

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The purpose of a "baseline" community audit is to establish a basic picture of the structure and composition of a local/regional economy and to catalogue its workforce development resources. As such, a baseline audit is the first step in any more sophisticated analysis. The necessary components of this first step include the following:

Defining the geographic scope

A critical question before beginning a baseline audit is how broad or targeted a geographic area it should cover. The answer should be driven by the purpose of the audit itself—although as a practical matter it may also be influenced by the availability of data for different units of analysis. For example, if the purpose of the audit is to help the Workforce Investment Board (WIB) develop a targeted intervention for residents of a high poverty community, the appropriate region might be defined by reasonable commuting distance from that neighborhood.

In general, the geographic area analyzed should correspond to an actual *economic* region, defined both by the interaction among firms and by the commuting patterns of workers. A common problem in the data currently available to WIBs is that it tends to be confined to the Local Workforce Investment Area , which rarely constitutes an actual labor market in itself. (In most cases, the local Workforce Investment Area is smaller than the regional labor market, though in some cases a local Workforce Investment Area may contain multiple labor markets.)

For most purposes, the best proxy for an economic region is the "metropolitan statistical area" (MSA). MSAs are defined by the Office of Management and Budget and typically take into account various measures of economic interaction and commuting patterns. The Bureau of Labor Statistics of the U.S. Department of Labor designates Labor Market Areas (LMAs) for purposes of reporting for the Unemployment Insurance program. Major LMAs correspond to MSAs, although this is not true for areas with a core population of less than 50,000. For non-metropolitan areas that are not covered by a MSA (and there are, of course, many), analysts will probably have to aggregate county level data.

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Finding the Data

There are numbers of sources—both public and private—of labor market information. The sources listed in this report are only the tip of the iceberg. Also the state and local agencies responsible for providing and organizing data are constantly updating and improving their products—both in their content and in their format and "user-friendliness". Therefore before initiating a community audit local areas should investigate fully the data options available to them. The state Labor Market Information Agency is a good place to start to get this information.

However, before embarking on a local labor market audit, local areas also need to know that many of the available data sets have serious limitations. First and foremost, it is very hard to get information on small areas. Also, some of the most important data sources are no longer a very accurate reflection of our economy. The Standard Industrial Classification (SIC) system is a good example. It classifies occupations by industry but it was developed when most Americans worked in manufacturing. As such, it does not provide an adequate understanding of what is now a largely service-based economy. Also, some of the best data (such as that from the Census) are not collected often enough. Today for example, those data are ten years out of date. Finally, the U.S. data collection system is decentralized and therefore somewhat chaotic. Each agency has set its system up for a different purpose and, as a result, they often measure the same variable slightly differently and therefore come up with different results, which can be very confusing to those of us who are not economists.

USEFUL RESOURCES

The discussion of data sources in this and the following two sections is largely taken from a publication funded by the Economic Development Administration of the Department of Commerce: Joseph Cortright and Andrew Reamer, Socioeconomic Data for Understanding Your Regional Economy: A User's Guide, 1998. That publication contains a great deal more useful information and detail about how to find and use data to analyze a regional economy. There is an accompanying website: www.econdata.net.

Another useful resource was produced by Regional Technology Strategies for the Annie E. Casey Foundation: Using Regional Economic Analysis in Urban Jobs Strategies, 1996. This handbook contains discussions both about how to

That said, the following data sources contain valuable information and are a critical resource for beginning to paint a picture of a local economy.

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What are the principal data sources?

Much of the public data used to analyze regional labor markets is produced at the federal level.[3] The three major federal data sources are: the Census Bureau, the Bureau of Labor Statistics (BLS), and the Bureau of Economic Analysis (BEA).

- **Census Bureau.** The Census Bureau produces data series on:
  - **Population**: including population size, personal characteristics (e.g., race, sex, age, educational attainment, occupation), and household characteristics (e.g., composition, income). Population data series include: *Decennial Census of Population and Housing, Population Estimates Program, Small Area Income and Poverty Estimates Program, Annual Demographic Survey of the Current Population Survey, American Community Survey.*
  - **Business Activity:** including the total size of each industry, the number of companies and establishments, measures of various aspects of business operation. Key business activity data series include: *Economic Census, County Business Patterns, Annual Survey of Manufactures, Export Statistics.*

- **Bureau of Labor Statistics.** The BLS produces data series on:
  - **Labor Force:** including employment, unemployment, unemployment rate, and labor force participation.
  - **Jobs and Wages:** including the following data series: *Covered Employment and Wages (ES-202)* which is a quarterly collection of jobs and wage data from all employers participating in the state unemployment insurance program; *Current Employment Statistics* which estimates job levels and hourly wages by industry; *Occupational Employment Statistics* which estimates the number of positions and average hourly wage by occupation by industry; *National Compensation Wage Survey* which presents wages and benefit data by occupation; and *Mass Layoff Statistics* which reports on mass layoff evens, dislocated workers, and persons filing for UI claims.

- **Bureau of Economic Analysis:** Much of the BEA data are too sophisticated for use by most WIBs. But WIBs may want to look at the Regional Economic Information System (REIS), which is the most comprehensive of the federal income and employment data series. REIS can be extremely useful since it provides employment and earnings information on all workers by industry, including the self-employed.

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[3] Most of the federal agencies only store data from the most recent annual reports. Therefore, if an area wants to compare information across time, it may need to order earlier data from the National Archives. This can take at least two weeks to obtain.

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In addition to these kinds of resources, the newly developed America's Labor Market Information System (ALMIS) is both a source of data and a labor market information intermediary.

- ***America's Labor Market Information System:*** ALMIS is a joint venture of the U.S. Department of Labor's Employment and Training Administration and the fifty states. Its mission is to support the emerging One Stop Career Center system with useful labor market and occupational information. But it is intended to be more than an analytic tool. It also will provide information directly to workers and employers, facilitating their access to jobs, labor, training, and career services information. Currently ALMIS includes information on the following: projected employment, wage information, training information, employer information, population and demographic data, economic data, and area cost of living profiles. Unlike other public LMI sources, ALMIS provides some firm-level information on over ten million employers.

In addition to these major federal sources of data, there are state and local public agencies that produce LMI data as well as private sources. Some of these include:

- **State and Local Government Agencies.** Many states and local areas undertake surveys of their own. A good place to start is the lead State Data Center or LMI agency. In addition to formal LMI surveys of one kind or another, state agencies can provide another important kind of data as well: these are the outcome data on employment and training programs.

- **Private Data Sources.** Public data sources do not provide information on specific businesses in a local area. To get this firm data, it is necessary to turn to private data sources. There are some relatively inexpensive commercial business directories available on CD. These include: *Listings Deluxe* by ProCD (www.procd.com); *Phone Disc Business Pro* by Digital Directory Assistance (www.phonedisc.com); and *Phone Search USA* 4.0 by DeLorme (www.delorme.com). Two of the best sources are the Harris Manufacturers Directory and Dun and Bradstreet.

Where do WIBs get this data? Most WIBs are not large enough to employ economists or other data analysts. Therefore most WIBs can and should take maximum advantage of the various labor market information intermediaries in their state.

There are three major depositories of public labor market information: the state labor market information (LMI) agency; the State Data Center; and the Federal Depository reference library. These three sources in combination will have the publicly available data that are most commonly used to analyze labor markets.

- **State Labor Market Information Agency.** The first and most important of these agencies for WIBs is the state's labor market information (LMI) agency that is frequently a part of the state-level organization responsible for employment and training. The LMI agency is linked to the U.S. Bureau of Labor Statistics and produces a wide range of LMI products. Many LMI agencies also employ economists knowledgeable about particular industries and regions in its state.

  Across the country, state LMI agencies vary in the extent of support they provide local areas. Some produce large volumes of information arrayed in formats that are useful to local employment and training professionals and to their customers. Some even out-station their staff in local Workforce Investment Areas.

DATA ON-LINE

As the frequent reference to websites suggests, most of the data discussed here is available on-line. In addition, there are two websites that provide access to multiple data sources:

- **EconData.Net: Funded by the U.S. Economic Development Administration and Bureau of the Census, this site provides links to over 400 sources of socioeconomic data at the state and local levels: www.econdata.net**
- **MapStats: An interagency effort by the federal government to provide on-line access to economic data generated by multiple federal statistical agencies at a single**

Each state has two other specialized data resource organizations as well:

- **State Data Center (SDC).** The Census Bureau sponsors the SDCs which make Census data and related services available to users. Each state has a SDC program, with a lead agency and several coordinating agencies. The staffs at the SDCs are knowledgeable in the use of the data and can often refer you to other resources throughout the state. To find the closest SDC call the lead SDC listed in Appendix A or visit this Web site: http://www.census.gov/sdc/www/sdctxt.html.

- **Federal Depository Libraries.** These libraries receive data from multiple federal agencies and many have special librarians familiar with using statistical data sources. Not all libraries receive all data, so you should call ahead. The nearest Federal Depository library can be found by calling a local reference librarian or checking: http://www.access.gpo.gov/su_docs/libpro.html.

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States and local areas usually have other data intermediaries including:

- **College and University Business and Economic Research Centers.** Usually at least one college or university in a state will perform this function. Many are members of the Association for University Business and Economic Research (AUBER), which can be reached at: http://www.auber.org/docs/mail1.htm.

- **Chambers of Commerce.** Some Chambers of Commerce have a research arm. These researches are members of the American Chamber of Commerce Researchers Association, which can be reached at: http://www.accra.org/networking_comm/Search_criteria.cfm.

- **Industry Associations.** For the analysis of particular industries, specific industry associations can often provide a wealth of information.

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Analyzing the Demand Side

Using these resources, the WIB can begin to map its regional labor market, beginning with the demand side. There are several steps.

The first step is to create a basic profile from available quantitative data and secondary statistical sources of the employer base of the region. This provides a sense of the structure of each industry (e.g. its employment base, whether it is characterized by large or small firms, average wages) and historical trends by industry.

This level of analysis does not provide much information about specific occupations within each industry, including the wages and required skills associated with each. Using other available quantitative and qualitative data can make some headway but it is important to supplement this information with primary research, especially interviews with

LOOKING AT THE "DEMAND" SIDE OF THE LABOR MARKET

The kinds of demand side questions WIBs are asking vary considerably but they include:

- **What the major industries in the area (emerging, growing, stable, and declining)?** Are they service or manufacturing? Are there connections among them (i.e. are there industry "clusters")?
- **Who are the major firms?**
- **What are the current and projected labor needs of those firms?** Is labor demand growing or declining (and in each case, why)? What does the occupational structure of each industry look like? What kinds of skill needs does it have (and how many workers in each skill level)? Is this structure changing?
- **What are the labor market problems of those firms?** Are there specific skills shortages? Are some firms having real problems with turnover?
- **What are their hiring standards and what hiring mechanisms do they tend to use?** Do firms hire by word of mouth (referrals from their own workers especially)? Do they have particular screening protocols? Do they require a specific credential or level of education?
- **What does the wage structure of each firm/industry look like?** Are there lots of decently paid jobs or only a few?
- **Which firms/industries have internal career paths?** Does the industry have natural career ladders that workers can ascend through on-the-job experience? Alternatively, do workers have to leave the industry if they want to get ahead? Do they have to return to school?
- **What are the labor practices of these firms/industries?** Do firms provide full-time work? Benefits?

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those directly connected to firms – owners, managers, *union representatives, industry* associations.

Available data

To identify the number and kinds of jobs an industry offers, the following sources are useful:

- *Covered Employment and Wages (ES-202)*, BLS and state LMI agencies: This data source provides the highest level of industry and geographic detail but is sometimes very hard to access. ES-202 data is available from each state's LMI agency and contains employment data by industry and gross payroll. It is possible to get a feel for wage levels by dividing gross wages by payroll. Because ES-202 data is not considered public information, states vary in their willingness to make it available though many will. Depending on the state, detailed data is also available on CD-ROM from BLS at (312) 353-1880. (BLS will also do customized data runs. Call (202) 606-6567).

- *County Business Patterns*, Bureau of the Census: This data also provides a great deal of industry and geographic detail (down to the zip code level). Almost all employers are covered on a county-by-county basis. The data contains information at the state level and for each county on employment levels, payroll, number of establishments, and the distribution of establishments by size down to the four digit SIC level. Available on CD-ROM in most libraries and from the National Bureau of the Census by calling (301) 457-4100.

- *Occupational Wage Survey*, state LMI agencies: This is typically available for the previous year and has information on salaries for a range of surveyed occupations.

- *Current Employment Statistics (BLS-790)*, BLS and State LMI agencies, and *Regional Economic Information System (REIS) employment data*, Bureau of Economic Analysis: Neither of these data sources provides the same level of industry detail and the CES is broken down only by state and metropolitan area.

- *Occupational Employment Statistics*, BLS provides a full picture of the occupational structure of each industry by state and metro area. OES is available from each state's LMI agency or on-line at: http://www.bls.gov/oes/oes_data.htm

All industries and all occupations are not the same in terms of the contribution they make to the welfare of a region. In general, WIBs want to target industries that pay decent wages. The best data source for this information is again the *Occupational Employment Statistics* series from the BLS. If WIBs want an overview of average weekly pay by industry the *ES-202* data discussed earlier can provide this information.

Industries also differ with respect to other measures of value, such as their regional competitive advantage (to be discussed later) and their "value added" per employee. Looking at "value added" per employee is another way for WIBs to identify those industries and firms that bring the greatest economic return to the region and its workers.

A useful data source for finding value-added industries is the *Economic Census*, Bureau of the Census which measures number of establishments (or companies), number of employees, payroll; measures of output (sales, etc.) and other data. It is conducted every five years and is broken down into areas as small as counties and zip codes. It contains the *Census of Manufactures* that provides national-level data for all manufacturing down to the four-digit SIC level. There is also a *Census of Service Industries (and Others)* that presents data by geographical region (nation, state, MSA), not industry. This provides considerably less detail than the *Census of Manufacturers*.

Finally, those with lots of experience doing this kind of research caution that it is important to be creative about data sources. For example, magazines like *Forbes* and *Fortune* can provide important insight into firms and industries. Real estate market guides for commercial real estate let you know which firms are moving in and which are moving out of your community.

The Need for Primary Research

In addition, however, fortunately or unfortunately much of the information WIBs and other local stakeholders need is not available from any of these sources and can only be obtained from firms, workers, and members of the community. For example, available data tell little about the actual skills associated with a job, the hiring practices and problems of firms, what they are really looking for in a particular category of employee, how they assess their competitive challenges moving forward and what they intend to do to meet them. Also, even when published data have insight into issues such as these, they are usually outdated. Many industries are changing so rapidly that only the most up-to-date information is useful.

This is the greatest challenge and frustration WIBs face in trying to put together a meaningful labor market profile for their region. Most WIBs simply do not have the resources to implement a major firm survey, nor can they afford to hire someone else to do it for them.

There are lots of smaller, targeted surveys WIBs, community-based organizations, economic development groups and others can initiate on their own to support particular policy goals and strategic interventions. These will be discussed at greater length below. But in the case of more comprehensive surveys, the best national models seem to be collaborative—for example, the state and one or more local partners and/or a set of local partners (within or among WIB areas).

California is an example of a state-local collaboration. Through the California Cooperative Occupational Information System (CCOIS), twenty-five different

occupations are surveyed in each designated regional labor market every year, determining wages and benefits, job growth and promotional opportunities. WIBs bid against one another to get one of the contracts for this work from the state Employment Development Department (EDD) and frequently subcontract the work out (though some workforce boards have done all or portions of the surveys themselves). EDD imposes strict quality control standards on the process (e.g. most of the occupations must be covered by the OES; it must be realistic to provide training for them; firms are stratified by industry and size).

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Analyzing the Supply Side

The other side of the labor market—its "supply side"—is equally important to understand, that is, what does the labor force look like and how close is the match between its characteristics and the needs of the region's firms?

Available Data

Good sources for information on the basic demographics of the population in a region include:

- *Population Estimates Program,* Bureau of the Census, which measures population and components of change including births, deaths and migration in and out. This program also provides annual population estimates by age, sex, race and Hispanic origin for all states and counties. It is easily accessible via the Web.

- *Current Population Reports,* Bureau of the Census (report series P20) provides data on educational attainment for states and larger metropolitan areas.

- *Decennial Census,* This report from the Bureau of the Census measures population by age, sex, ethnicity, race, marital and family status, veterans status, years of school completed, geographic mobility, journey to work, and other variables. The data are broken down into geographic areas as small as census tracts and zip codes.

LOOKING AT THE "SUPPLY SIDE" OF THE LABOR MARKET

Some of the kinds of supply side questions WIBs are asking include the following:

- **What are the current and projected demographic characteristics of the workforce?** Is the workforce becoming older or younger? What are the educational levels of the workforce? What is the traditional skill base of the workforce and how is this changing? Have there been new waves of immigrant populations? Is greater immigration projected?
- **Which populations are having trouble finding or keeping jobs that pay family-sustaining wages?** Are there many such groups in the local area? Do they have shared characteristics or very different kinds of characteristics (as for example, new immigrants and older white collar workers
- **Given the local cost-of-living, what wage levels are required to sustain a family?** Does this vary by kind and size of family?

- **How are workers geographically distributed across the region?** Are there pockets of at-risk populations and other pockets of high skill populations? Are some labor market problems concentrated and others dispersed? Is there a mis-match between where the jobs are and where the

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- *State Governments:* Also many state governments conduct or contract for their own population surveys.

The best source of information on the general level of employment and unemployment in a region is the *Local Area Unemployment Statistics (LAUS) Program*, run by the states' labor market information agencies using BLS guidelines.

Since the WIB's principal concern is the economic health and welfare of its region, it is critical to know about the incomes of residents, and especially how many are living in poverty. Only two data sources provide information on income at the local level, the *Small Area Income and Poverty Estimates Program* of the BLS and the *Decennial Census*. Neither survey is conducted frequently enough although the former is done every few years. Data from the Small Area Income and Poverty Estimates Program can be obtained on-line at the following: http://www.census.gov/hhes/www/saipe.html.

There are also local data sources that can be useful in tracking poverty. For example, data from the local school system on the number of children qualifying for the free lunch and reduced lunch programs; data from the United Way or other local services agencies that may track the use of homeless shelters; and obtaining information on the current Food Stamp and Medical Assistance caseloads by area.

WIBs also need to know which populations in their area are at-risk of being unable to find or keep good jobs. This is not a question traditional data sources are designed to answer. Although some of the data just discussed can provide important clues to this question (and the Census data are particularly helpful when it is fairly current), one good source of information for this purpose is the outcome reports from employment and training programs themselves. Unemployment Insurance wage record data can be used to track the percent of the labor force that seems to be trapped in low wage jobs over time and to trace the paths workers may take up the ladder, but wage records do not contain demographic information.

Finally, spurred by the implementation of the Workforce Investment Act, WIBs increasingly want to identify what constitutes a "self-sufficiency" wage for workers in their region. There are numbers of approaches, some of which will be discussed later.

The Need for Primary Research

As in researching the demand side of the labor market, WIBs frequently find that to understand their local labor force they need to supplement the available data through research efforts they conduct (or contract for) on their own or in coalition with others. The most typical reason is because they are targeting a particular population for service, for example, welfare recipients. In this case, the WIB might both use specialized secondary quantitative information (such as data from the state/local welfare agency) and do some actual surveying of welfare recipients (perhaps through the use of focus groups). The purpose of a focus group would be to verify the information gathered through other

sources, identify hidden employment barriers not revealed in that data, identify strengths of that population not evident in the data, etc.

Although most "supply side" surveys tend to be specialized and targeted, more ambitious surveys of workers in a local area are sometimes conducted. In all cases, these are not implemented by the WIB itself but by an academic institution or professional firm that has been engaged for this purpose. Given the time and expense involved, the purpose of such a survey needs to be carefully defined in advance.

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Mapping the Community's Assets

In order to address their workforce development challenges, local stakeholders need to know more than the needs of their employers and workers. They also need to know what resources they have at their disposal to meet those needs.

The "resource mapping" component of a community audit needs to identify programs and services already in the community, as well as new sources of funds that can be accessed to address particular community concerns.

Existing programs, institutions, and funding streams available for labor exchange, training, case management, and supportive services (such as child care, mental health, services for the disabled, services for immigrants and refugees, and so on) should all be detailed. Most local areas do not even know the range of programs provided by the *required* WIA partners, let alone the community more broadly.

A logical place to begin this component of the community audit is with the required WIA partners. Local areas can develop a survey requesting this information, including the programs each partner funds, the populations served, and the services provided. In addition, each partner should be asked to identify additional or "discretionary" funds that local areas might be able to access, for what purposes, and how.

A more extensive survey can then be initiated to gather detailed information from the larger set of organizations. In addition to using names gathered through the first survey, the list of those covered in the second round can be augmented by using resources such as social service "yellow pages" many local communities produce, resources manuals state agencies sometimes provide to their local offices, and so on.

Community audits can have a broader reach as well. Organizations surveyed—including unions and employer organizations—can be asked what kinds of "in kind" resources they might make available. For example, space or equipment for a training program. This makes particular sense when the community audit is targeting a particular industry or set of industries.

Finally, local stakeholders should look beyond public resources in other ways as well. Philanthropic and corporate organizations often have funds available to meet targeted social needs.

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Who Should Conduct the Research?

There is nothing about a baseline community audit that is so technically complex that WIB staff could not do the research themselves. However, such an audit is a big job and most WIBs lack sufficient resources. Therefore, in most cases WIBs should contract out the work entailed in both baseline and more specialized labor market audits and WIBs should join forces with other stakeholders (either other WIBs or other organizations within the WIB area, such as economic development agencies, community colleges, and so on) to share the cost of this kind of analysis.

At the same time, it is absolutely critical that the local stakeholder partnership be in the driver's seat. The partnership needs to set the goals for the research—both the broad policy goals but also their very specific needs and expectations. The partnership also need to be able to provide mid-stream feedback to researchers about whether they are on or off track. And the partnership needs to know how to select an appropriate contractor. Many research organizations, both public and private, have boilerplate approaches to economic research that may or may not square with the needs of the WIB. WIBs (and their partners) therefore need to move beyond being good consumers to in a very real sense acting as the project director(s).

Finally, however, as suggested earlier, it often does make sense for the stakeholder partners to play an active role in some of the *primary* research that needs to be conducted, both for a baseline community audit and for more specialized audit. This primary research entails interviews, focus groups, and other direct interaction with both firms and workers. In all these instances, the research process is an important relationship-building process.

Section Three

SPECIALIZED COMMUNITY AUDITS AND TECHNIQUES

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A basic community audit—particularly if the information is up-to-date—provides local stakeholders a general but useful map of the labor market and resource base in their area. But to develop targeted interventions—or even make good decisions about how best to use limited resources—they need more sophisticated and/or more specialized information.

Local areas have a wide range of purposes and a corresponding range of techniques for conducting community audits. Some of the most common, as well as some of the most innovative, are highlighted here.

Sector and Cluster Analysis

As an analytical tool, sector analysis is the next logical step after a basic audit . This is because it provides baseline information: that is, *it identifies the industries in which the region has competitive advantage.* Using techniques such as shift share analysis and location quotients, local areas can determine how firms within an industry differ from those in the state or nation as a whole, whether they are more or less competitive, growing faster or more slowly, and whether they employ a greater or smaller percentage of the workforce than is the norm.

Purpose

There are numbers of reasons to identify those industry sectors that seem to have regional advantage. These include providing career information to job seekers (about which industries and occupations seem to be good long term bets), developing training programs to support those industries, and even implementing comprehensive partnerships with these sectors (described under Sectoral Strategies below).

Increasingly also some local workforce boards have begun to break down the traditional barriers between workforce development and economic development to view their economy more strategically and to employ methods that in the past were the domain of economic development agencies. It is expected that this trend will continue and pick up steam with the implementation of the Workforce Investment Act.

Methods and data sources

Secondary research

In conducting research on sectoral advantage, two useful techniques are location quotient analysis and shift share analysis. Both compare the local region to some other geographic area, e.g. the state or the nation.

Location quotient analysis identifies the relative specialization of a region in a particular industry, measured by some industry variable (such as employment, number of establishments, average payroll, or value-added per employee). Using employment as the variable, a location quotient greater than one would indicate that a greater percentage of the local workforce is employed in that particular industry than in the reference economy. Calculating the location quotient based on value-added indicates whether the industry is above average in productivity.

Shift share analysis is a method for identifying trends over time, for example, whether the local region's share of employment of number of establishments in a particular industry is growing (or declining) faster or slower than in the reference economy. As such, this technique begins to directly address the question of regional advantage and provides real insight into how the occupational structure of a region may be changing over time.

The data used for both location quotient and shift share analysis are virtually identical and can be taken from some readily available source such as County Business Patterns.

In some cases, local areas have gone beyond sector analysis to identify key industrial *clusters* within their region. Usually this is when the goal of the community audit is to develop a workforce development strategy that has a clear economic development purpose as well.

By an industrial *cluster*, what analysts mean is the following: a geographically bounded concentration of similar, related, or complementary businesses with active channels for business transactions, communications, and dialogue, that share specialized infrastructure, labor markets, and services and that are faced with common opportunities and threats. Almost always the cluster will included both supplies and customers.[4] One reason local stakeholders may care about industry clusters is that firms frequently hire from their suppliers and vendors.[5]

Identifying the *spatial* dimensions of employment change within a region also sometimes is very important. For example: are the key industries in the region moving from one

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[4] Regional Technology Strategies, Inc., Using Regional Economic Analysis in Urban Jobs Strategies, April 1996.
[5] *Ibid.*

location to another? The sources for this kind of analysis are the proprietary ones (listed both above and below).

After conducting a quantitative analysis, a useful sector study goes on to understand in greater depth the dynamics of each key industry, its competitive challenges, comparative strengths, and so on. This information has to be pieced together from a variety of sources such as the U.S. Department of Commerce *Industrial Outlook*, industry publications, and so on—and supplemented with primary research.

Finally, after identifying key industries within a region, a sector analysis has to move to the level of the firm—to identify the most important firms in each industry, how they are doing, where they are located, how many people they employ, etc. As described above, the data sources for this are primarily proprietary. Two of the best are the Harris Manufacturers Directory that will provide on diskette for any S.I.C. code, by postal zip (or county or MSA), the name of all the companies, their address, parent if any, actual employment, estimated annual sales, contact names and phone numbers. Harris will also provide customized information by company on changing employment levels. Dun and Bradstreet Information Services provide similar information on CD-ROM for a database of 10 million establishments and had on-line services as well.

Primary research

Although secondary research can provide a rich overview of industry sectors, other kinds of critical information such as changing labor force requirements, occupational paths, and human resource policies can only be ascertained by surveys and/or interviews with firms themselves. Focus groups can be both efficient in gathering this information and useful in beginning to stimulate joint firm activity. This last point is important because there is growing evidence that a focus on sectors, rather than individual firms, is important in planning policies and programs (see Sectoral Strategies below).

Who should conduct the analysis?

Local WIBs or local stakeholder partnerships with sufficient staff resources can and frequently do conduct much of this analysis themselves although shift share analysis techniques tend to be tricky and therefore are often subcontracted to other professionals. However, as discussed earlier, it often makes sense to contract out the project. An important exception here as elsewhere is the primary research, particularly interviews and focus groups with firms. .

Who is the customer?

There can be multiple customers for this kind of analysis: job seekers, employment and training professionals, educators, and economic development staff. But because sector and cluster analysis tends to provide *strategic information,* it is most useful to policymakers and professionals.

Detailed Occupation and Skills Analysis

Purpose

A baseline community audit provides insight into broad occupational trends that can be translated into broad skill trends. Frequently, however, both customers of the employment and training system and workforce professionals need more detailed information about the changing character of jobs and skill requirements.

Method and data sources

Secondary research

Approaches to analyzing detailed occupational and skill requirements vary widely based on the purpose of the analysis. The best general data source on the skill content of occupations is O*Net (the Occupational Information Network) recently developed by the U.S. Department of Labor to replace the Dictionary of Occupational Titles. O*Net is available on CD-ROM and diskette and contains extensive information on job requirements and worker competencies. This information includes:

- Worker characteristics: including abilities, interests, and work values;
- Worker requirements: including skills, knowledge, and instructional programs;
- Experience requirements: gauged against a standardized rating system;
- Occupation requirements: general work activities;
- Occupation specific information: specific tasks;
- Occupation characteristics: outlook and earnings;
- Related occupations.

The O*Net system contains over 445 variables for each job title and permits comparison of skill requirements and other key job components across occupations, including identification of skill families.

Given the numbers of occupations covered by O*Net, its extensive data on each, and the fact that the database can be searched by any one of multiple variables, it is an extremely useful resource for job seekers and counselors. By itself, however, it is not useful to local stakeholders who seek to identify skill *trends* in their areas. Nor can it provide insight into the ways the same occupation may differ in its demands across industries (e.g. an IT specialist in the banking industry may face very different job requirements than the same specialist in a dot-com company.).

Since areas cannot analyze in this way all the occupations and industries within their region, detailed job and skill analysis usually begins with a specific purpose in mind and therefore focuses on particular industries and/or occupations. With the research narrowed in this way, researchers begin with the occupational data gathered through the methods described earlier, supplemented by the skill information contained in O*Net.

Primary research

However, in general detailed job and skill data needs to be gathered through primary research such as surveys, interviews, and focus groups. If the focus of the research is narrow enough (e.g. a particular set of occupations with the health care industry in a specific region), this is not a major undertaking. Broader surveys are however.

Who should conduct the analysis?

In the case of small-scale analyses, local stakeholder staff (e.g. from WIBs and their partners) could do much or all of this work themselves. More extensive analyses would be better contracted to professionals.

Who is the customer?

Again, the customer could be individual job seekers, employment and training professionals, or educators. But in this case, the individual customer is likely to be a member of a targeted population and/or interested in a specifically targeted occupation.

Mapping Career Ladders

Purpose

One of the more disturbing characteristics of the "new economy" is that career paths are increasingly unclear to workers. One cause of this confusion is the shift from a manufacturing to a service economy where career ladders within firms have always been less well defined. Another problem is the fact that many career paths now cross firms, that is, to move up the ladder a worker needs to move from one firm to another (and, in some cases, even from one industry to another).

As such, there has been growing interest by WIBs and other local stakeholders in developing career ladder "maps". This interest was further fueled in recent years by welfare reform efforts since it has become increasingly clear that success depends not just on finding workers an entry level job but, rather, placing them on a path toward self-sufficiency.

Career ladder mapping is, then, another kind of specialized community audit. Since not every occupation can be mapped, such efforts typically begin with a particular policy goal. One extremely good example of a career mapping effort is the one being implemented by the NOVA PIC in Northern California.

Methods and data sources

In 1996, NOVA PIC—located in the heart of California's Silicon Valley—launched an ambitious career center mapping project, funded largely by private foundation funds. The policy goal of the project was to help improve the labor market success of welfare recipients who were transitioning into the labor market and other low wage workers. The "customers" of the project were both the welfare recipients and low wage workers themselves and the employment and training counselors who were providing them career guidance. The geographic scope of the project was four Bay Area counties: San Mateo, Santa Clara, Santa Cruz, and Monterey.

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Before initiating their survey, NOVA not only established a clear policy goal, it also detailed key criteria for the occupations to be selected and clear objectives for the study. The criteria for selection of occupations included:

- Demand: There has to be a projected demand for the occupation over the next five years.
- Wages: Each entry-level occupation selected should provide a wage that would enable a household to gain financial self-sufficiency.[6]
- Benefits: The occupation should offer the potential to receive benefits such as health insurance, paid leave, and a retirement plan.
- Training time: Given TANF regulations, entry level occupations should require a training time of no more than one year. Training after employment should also be available.
- Qualifications: Occupations should require very little formal education.

To select the fifteen occupations they eventually profiled, NOVA researchers began with a list from the state of the 50 fastest growing occupations in California that required no more than a high school education and 6 months or less of training. Looking at absolute job growth and wages then narrowed occupations further. Finally, the advisory group for each county reviewed the resulting list and made the final selections.

As in a "baseline" audit, NOVA researchers began with the available quantitative and secondary data on each occupation to get the lay of the land. But then they did extensive interviewing within each relevant industry. In this case also, to make the interviewing process more efficient, they conducted focus groups of employers and found that mechanism to be extremely fruitful in surfacing issues and themes across firms.

Because one of the target customers for the project was welfare recipients, the project also included interviews with workers in each of the profiled occupations. These workers were asked to describe how they got into their current position; what a typical day was like; what training and education they needed to qualify for the position and what training had been more helpful; what they like most and least about their jobs; what advice they would give someone looking for work in that field; and special qualities the job requires.

After a draft of the Career Ladders workbook for each county had been completed, NOVA held focus groups to get feedback from job counselors, community college career counselors, welfare counselors, welfare recipients and other low wage workers. The central questions asked of these focus groups included: What in the report would be useful to you and/or your clients? What style of presentation would be most useful? What, if anything, would you like to see added? Focus group participants were particularly sensitive to issues of presentation so that the information would be compelling to the end user. The final report took this several steps further, for example,

[6] In this criterion, NOVA set itself a meaningful standard. Living wages were defined based on the Equal Rights Advocates study of self-sufficiency in California (similar to a national effort spearheaded by Wider Opportunities for Women.)

included web-based links to self-assessment tests customers could use to better evaluate their own interest in and aptitude for a particular occupation.

For each profiled occupation, the final report provided the following information:

- Skills required and legal requirements
- Jobs available at three levels of experience: entry level, 3 years of experience, 5 years of experience
- Description of the work involved
- Where to get training locally
- Wages, hours, and fringe benefits
- How to conduct an effective job search for that occupation
- Opportunities for advancement
- The employment outlook.

Who should conduct this analysis?

In this example, PIC/WIB staff conducted research. However, as detailed, career ladder mapping is a relatively major undertaking which in most WIB areas probably needs to be contracted to professionals. Given the expense, it also makes good sense to develop a consortium of stakeholders committed to supporting the cost of the effort and using the data.

Who is the customer?

As the NOVA example makes clear, customers for this data can range from job seekers to employment and training professionals. As usual, however, the purpose of the project drives its design. NOVA's career mapping was done with end-users in mind. Career mapping could be conducted as one step in a strategic intervention (such as the building of community career ladders, described later). In this case, both the process of the investigation and its end products would be different.

Vacancy Surveys

Purpose

During World War II and at various points over the decades since, national job vacancy surveys have been conducted for a variety of purposes: as an overall economic indicator, to identify and forecast occupational shortages, to pinpoint areas of structural unemployment, and so on. Although the U.S. has not had a national job vacancy survey program since 1973, other nations routinely use vacancy data as an important economic indicator. Three sources of data are typically used: public employment service job listings, want ad listings and establishment surveys.

At the local level, the demand for vacancy data is and continues to be a more immediate and practical one. The Employment Service and other employment and training programs (such as JTPA) have sought data on job openings to guide their placement and training activities. Recently, there has been renewed interest in vacancy analysis in the light of tight labor markets and real or perceived skill shortages.

Methods and data sources

Informal vacancy surveys are routinely conducted by ES offices and by and other job developers. Data sources are quite similar to those used in the more formal national surveys, though on a much smaller and less "scientific" scale. That is, they look at their own job postings, analyze local want ads, and do informal (or semi-formal) surveys of local employers.

Recently, some local areas have begun to formalize this process and take it to scale. One particularly good example is the effort in Milwaukee, Wisconsin which is funded by a local consortium of public organizations—the City of Milwaukee, Milwaukee Area Technical College, Milwaukee Public Schools, the Private Industry Council of Milwaukee, and the University of Wisconsin-Milwaukee). The University of Wisconsin-

Milwaukee Employment and Training Institute (ETI) conducts the research itself.[7] Surveys are conducted twice annually and are used in program planning, training, and policy development. An attempt is also made to assess spatial and skill mismatches within sub-areas of the analyzed labor market.

The ETI survey includes data on the following: full-time and part-time employment, the location of employment, wage rates, availability of fringe benefits, education and training requirements, and employer-identified hard-to-fill openings. Information on job titles allows researchers to identify the occupational needs of employers and the availability of entry-level positions. Job site data are useful both in locating geographic mismatches and, in the case of sub-units of large firms, ensuring that the vacancies are local. Data on minimum levels of education and training are, obviously, extremely useful to both job counselors, educators and policy makers, and fringe benefit availability helps determine the quality of the jobs.

ETI's approach includes both a mail survey and follow-up by phone. To improve response rates, the mail survey is only one page, is limited to vacancy information and new hires. Companies simply list job titles for which there are openings and ETI staff then code and categorize the occupations. The mail response rate is typically 20-25%. ETI then contacts approximately 2,000 of the non-respondents by phone.

After survey results are tabulated and weighted by size and type of industry and by response rate. Analysis is provided in the following areas:

- Profile of job openings in the metropolitan Milwaukee area
- Skill level requirements for job openings
- Wage rates by job qualifications
- Difficult-to-fill vacancies
- Availability of fringe benefits
- Location of job openings
- Shortage of jobs in the central city Milwaukee neighborhoods
- The nature of the gaps between available vacancies and job seekers.

In addition to the practical and methodogical complexity of surveys such as these—and, therefore, their expense, numbers of theoretical and policy concerns about vacancy surveys have been raised over the years. Academics have worried about how the definition(s) of vacancy can skew the results and labor unions have worried that these data could be used to minimize the impact of unemployment.[8] But because local surveys such as the Milwaukee one are being used by educators and employment and training practitioners as simply one tool in their tool chest, they have sidestepped most of these concerns.

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[7] This discussion on the Milwaukee program draws heavily on a manual the University of Wisconsin-Milwaukee Employment and Training Institute developed for USDOL ETA in 1998 entitled *Surveying Job Vacancies in Local Labor Markets: A How-To Manual.*

[8] For a discussion of these problems, see Harry Fumerman, "Job Vacancy Statistics" chapter in the National Commission on Employment and Unemployment Statistics, Concepts and Data Needs: Counting the Labor Force, Appendix Volume 1 (Washington, D.C.: U.S. Printing Office, 1979).

Who should conduct the analysis?

WIB and even One Stop staff frequently conduct very simple vacancy surveys. More complex surveys such as the one described require professional expertise and considerable staff resources.

Who is the customer?

The customer of vacancy surveys is usually employment and training professionals, educators, and policy makers.

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Identifying Skills Shortages

Purpose

The question of how to accurately identify skills shortages has taken on special urgency in the past ten years, as a result of rapid technological change, enormously tight labor markets, and the fact that in many labor markets new entrants are increasingly new immigrants.

In many areas, skills shortages are the single greatest barrier to economic growth. In response, the Department of Labor currently has two major skills shortages initiatives underway to help regions address this critical economic problem. The first is the Regional Skills Partnership initiative that is providing grants to consortia of local stakeholders who have come together to address skills shortages in their region. The second is the H-1B Technical Skill Training Grant Program that provides training funds to address skills shortages in specific high skill occupations, such as information technology and health care.

Methods and data sources

At the national level, attempts by countries to identify or project occupational skills shortages combine the use of vacancy surveys with techniques such as analysis of flow data, model-based approaches (using complex modeling techniques, the most sophisticated of which allow for the interaction of supply and demand), selective targeted studies of specific occupations, and consultation with employers in local labor markets.

The U.S. does not conduct a national labor turnover or vacancy rate survey. However, since the early 1960s a database of the help-wanted advertisements in 51 sample cities has been maintained. This database provides proxy measures of skills shortages through time, as well as regional information. Unfortunately, there is not occupational or industry detail in the data. Also at the national level, the BLS maintains a highly detailed occupational model for the demand side of the labor market, though there is no matching supply-side data to produce estimates of skill shortages. Some comprehensive, targeted skills shortages studies have been undertaken, most notably for scientists and engineers.

Some states have waded into the effort to identify skills needs and skills mismatches. For example, in 1992, Oregon—which has been a leader in "outcome-based" government—initiated a major "skills-benchmarking" effort, mailing a survey of industry skill and

training needs to over 4000 firms. Focus groups were then held with managers and workers in over 100 companies.

At the local level, many Private Industry Councils (as well as other public organizations, such as community colleges) have in recent years also initiated limited, selective efforts to map skill shortages. Usually this is done in consultation with employers and/or other labor market experts. The consultative structures vary considerably across the country: most are ad hoc, though some have a more permanent status. They can vary from informal breakfasts to formal committees following structured protocols. Business associations are often extremely useful partners in these efforts and, in fact, some have conducted similar surveys for their own planning and lobbying purposes.

Analysts at the local level use a variety of data collection techniques. Frequently simple one-page surveys are sent to a sample of firms. In other cases (or in combination with a survey), rounds of focus groups are held. Data may be collected on the basis of skill-types rather than occupational classifications. Because no coding system for detailed skills exists, various ad-hoc classification systems have been developed locally. Recently there have been a spate of efforts aimed at identifying shortages in information technology skills that cross industry classification.

There are numbers of serious problems local areas have confronted in skills shortage identification. Some of the most common are: 1) Separating the *intensity* of demand for a skill from the *volume* of demand—that is, local employers may insist that there is a skills crisis but on further analysis this may not be because they need hundreds of new workers in that skill or occupation; rather, the number of workers in demand is quite limited but those workers are essential to the survival of the business. This can lead to a false perception of widespread skills shortage. 2) Difficulty in projecting changes in the composition of demand—often by the time the employment and training system can respond to industry skills shortages, technology or new competitive pressures have produced a change in the number or kind of workers needed. 3) Correctly identifying the skill—employers may establish hiring requirements (for example, a high school diploma) that inadvertently screen out qualified applicants, also producing a "false" skills shortage.

Who should conduct the analysis?

Skills shortages studies can be conducted by many organizations, depending on their complexity. Frequently, however, the appropriate geographic area for such a study is quite broad and therefore it makes sense for a consortium to direct the study and for it to be conducted by professionals.

Who is the customer?

Although skills shortage information is obviously useful to individual job seekers, this kind of analysis is usually conducted for broader policy and planning purposes.

The Role of Rapid Response, Job Developers, and Other Informal Methods of Data Gathering

Purpose

In addition to these more formal methods of labor market analysis, local areas also can use Rapid Response teams and job developers to gather specific kinds of information. The purpose of the information collected this way may be to prevent layoffs, match workforces being laid off with firms needing those skills, identify workforce development needs within and across industries, identify other firm needs and concerns, locate industry "champions" for specialized strategies, and so on.

Methods and data sources

States and local areas have different kinds of Rapid Response capacity; however, areas that have a well-staffed and active Rapid Response team often view them both as a service delivery organization and as a mechanism for gathering (and disseminating) important labor market information. In Massachusetts, for example, the Rapid Response team prides itself on placing large numbers of dislocated workers in new jobs before they are laid off from their old ones. They do this by matching downsizing firms with hiring firms in local areas.

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To the extent to which Rapid Response teams capture data on the firms and workers they serve, they can also provide valuable insight into shifts in the economic fortunes of industries, changes in the composition of the layoffs over time, the ease or difficulty workers (and various categories of workers) are having reentering the labor market. Their close working relationships with firms can also help local areas separate "high road" employers from those that provide low wages and few if any benefits.

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Business Visitation Programs

Purpose

Business visitation programs take this concept one step further, formalizing it as a process. These programs are essentially retention strategies. Their purpose is to keep in regular touch with local firms so that they are able to quickly identify and address firm needs and concerns.

Methods and data sources

The New Hampshire Business Visitation Program (BVP) is illustrative of the methods employed. Since the program's inception in 1991, 171 communities have participated and 2,470 firms have been visited. Since few towns have full-time economic development staff, the BVP operates instead with volunteer labor. Training in how to conduct the interviews is provided by staff from the state's Office of Business and Industrial Development (OBID). The survey is 23 questions long and covers a wide range of issues. After the survey has been conducted, responses are organized into a customized report and OBID staff meets with local business leaders and public sector representatives to craft a strategy.

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Section Four

TAILORING COMMUNITY AUDITS TO SUPPORT LOCAL STRATEGIES

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All community audits must be driven by a clear policy goal. Taking this one step further, there is often an iterative relationship between the development of employment and training strategies and the design of more targeted community audits. Leading-edge WIBs and other labor market intermediaries gather data on their labor market to make decisions about what kinds of interventions should have priority and are likely to be effective. After making some initial strategic decisions, research is designed to inform and to support those strategies. Some examples of specific strategies and the kind of research necessary to support them is highlighted below.

Employing or Re-Employing a Target Population

The Strategy

Although the Workforce Investment Act promises universal service, frequently Workforce Investment Boards (and other public and non-profit organizations) also have reason to target specific sub-populations and devise strategies appropriate to their special needs. The target population could be dislocated hardware engineers from defense dependent high technology firms, welfare recipients, or even residents of a depressed neighborhood.

The strategy devised to address the needs of the target population may be a variant of many discussed in this report (e.g. sectoral, community career ladder, employer-focused training, etc). But when a specific population is targeted, special "audits" need to be conducted of both the demand and supply sides of the labor market. It is also critical to investigate special community resources that might support the needs of this population.

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Tailoring the Audit

On the demand side, firms and/or sectors need to be identified that are likely to hire the targeted population. Interviews and focus groups need to be held with prospective employers to identify problems and potential solutions.

On the supply-side, the first step in the analysis is to gather whatever quantitative data are available. In the case of dislocated workers, this data could come from Rapid Response teams, One Stops, local ES offices, and even the downsizing companies. For welfare recipients, TANF agencies may be the best source. In the case of targeted communities, a community profile can be compiled using data from the Census (including PUMS information), the local city or county planning department, office of community development, and/or regional HUD office. Local foundations and school districts may also have statistics on community characteristics.

Regardless of the kind of population, however, it is important to supplement this secondary data with interviews (probably in the form of focus groups) with members of the targeted group. The kind of information that can be gathered this way includes: their job search methods, knowledge and expectations, specific needs and barriers to employment. Such primary research also may identify further areas of investigation, such as the availability of transportation or childcare.

On the basis of this information, a special review of available community resources needs to be conducted tailored to the needs of the targeted workforce.

Sectoral Strategies

The Strategy

Interest in developing strategies aimed at groups of firms, rather than single companies, began in the field of economic development but has made its way over the past decade into the workforce development arena. As used by practitioners, the term "sector" tends to variously mean a grouping of industries, a single industry, a subdivision of an industry, or even a set of industries that share some critical need or characteristic. In general sectoral strategies entail targeting a set of employers that share a set of common characteristics, such as a common market, common product, or basic resource needs (such as labor force, infrastructure, or technology).[9]

The idea of a sectoral intervention is to work with groups of firms to a) address a public policy concern and, at the same time, b) solve one or more common problems that the firms share. In the employment and training field, for example, a local area might target the health care sector to a) employ hard-to-place former welfare recipients and, at the same time, b) solve a labor shortage problem for the industry.

Much of the pioneering work in sectoral intervention in the employment and training arena has been located in the non-profit sector, funded largely by foundations. Labor organizations have also been innovators in this field.

All these efforts have had a clear economic development as well as workforce development focus and often have been aimed at low-income workers and communities. For the past several years, however, there have also been a growing number of public sector sectoral interventions, including both state-funded projects and dislocated worker demonstrations funded by USDOL.[10] In these very different efforts, the role of the public sector has ranged widely, including funder, initiator, facilitator, oversight, market maker, regulator, and implementer.[11]

Many sectoral efforts have been relatively modest in scope, such as targeting a subset of the health care industry in a local area. However, there have been some that have achieved real scale and impact, as the following examples suggest.

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[9] This definition is taken from Mt Auburn Associates, *op.cit.*

[10] USDOL's recent interest in the development of regional skills partnerships is evidence of growing interest in this approach at the federal level.

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- In Delaware, a statewide initiative targeted the financial services industry as critical to the state's economic future. Bank officials, state officials, educators, employment and training professionals joined forces to develop and coordinate training programs for entry-level and incumbent workers.

- In Milwaukee, the Wisconsin Regional Training Partnership, founded in 1992, has a membership of more than 40 firms which together employ over 40,000 workers. WRTP is a state-supported tripartite partnership between management, labor, and government based in the metal working industry. Although it has a broader agenda, much of its focus is on workforce development, skills training, the development of skills standards, and the like.

- In New York, the Garment Industry Development Corporation (GDIC), a non-profit institution established in 1984 by a union, two garment trade associations, and the City of New York, now broadly serves the workforce training, marketing, technology assistance and other special needs of New York's many small garment shops. Industry sponsorship has grown to five trade associations and public sector support has deepened.

Many of the other specialized strategies described below build on the sector approach.

Tailoring the Audit

The decision to implement a sector initiative is a serious one since, to be successful, it requires considerable effort and resources from both the public and the private sectors over many years.

Minimally then, sectoral strategies necessitate careful, in-depth sector (and perhaps even cluster) analysis of the targeted economy. Final sector selection depends on the project's policy goals.

Second, however, this kind of strategy dictates employment of some of the other kinds of techniques and tools described earlier, for example, career ladder mapping and detailed job and skill analysis. More than in the case of traditional employment and training strategies, sector approaches require a sophisticated understanding of the competitive dynamics of the industry, the organization of production, and the ways in which the workforce can be either an asset or a liability. Primary research must be emphasized over secondary research.

As such, sector approaches both depend on in-depth industry analysis but they also help the employment and training community acquire the specialized expertise necessary to work closely and effectively with firms. As a result of the on-going ties with industry they develop, sector interventions provide the long-term public-private linkages that allow for regular updating of labor market information.

Layoff Aversion Strategies

The Strategy

Historically, the employment and training system spent more time responding to layoffs and closings than preventing them. But with the implementation of the Workforce Investment Act and with the growing sophistication of Rapid Response efforts around the country, there has been new interest in layoff aversion

Tailoring the Audit

Layoff aversion strategies differ significantly in their approach and, therefore, in the kinds of information they demand. Strategies include the following:

- Development of an early warning network to better monitor and predict major layoffs and closures;
- Rapid retention strategies aimed at preventing an announced layoff or closure;
- Sectoral strategies of the kind described earlier aimed at improving the competitiveness of an industry;
- On-going retention strategies that provide support and various needed services to firms, including customized and incumbent worker training, business visitation programs, manufacturing modernization programs, and so on.

Although these strategies are quite different, all require that the local stakeholders implementing them understand their economy and the workings of the firms within it much more intimately than is usually the case. To set up an effective early warning system, for example, it is necessary to know what kinds of danger signs to look for, how firms make business decisions, and how business activity can be monitored.

Alternatively, in the case of rapid retention strategies—such as employee buy-outs—it is necessary to know how to identify firms that are likely to survive and be competitive. Although specially trained professionals must do much of this analysis, rapid retention teams need to have a solid understanding of the kinds of firms and industries that flourish

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in their region and an ability to broadly evaluate the economic health of the firm in question.

Sectoral strategies were described earlier but when such an effort has a clear economic development focus, it is particularly important that the business dynamics of the industry are closely examined.

In addition to requiring a deeper understanding of the demand side of the labor market, effective layoff aversion strategies necessitate specialized reviews of community resources. In particular, local stakeholders that seriously undertake these efforts find that they have to know and forge relationships with organizations with business and economic development expertise. These might include: state and local economic development agencies, industry associations, unions, private and non-profit consulting organizations (such as those that specialize in employee buy-outs), lending organizations (both public and private), the local manufacturing extension program, the local Small Business Administration program, programs aimed at business in local universities and colleges, and so on.

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Employer Focused Training

The Strategy

Over the past thirty years, states' interest in and experience with employer-focused training has grown dramatically. It has been estimated that state spending on these types of programs rose to approximately $600 million in 1999, almost twice the investment of a decade ago.[12] More recently, USDOL has funded a series of incumbent worker demonstrations, almost all of them aimed at layoff aversion. Also, in a dramatic reversal of policy from JTPA, the new Workforce Investment Act permits states and local areas to use their federal employment and training dollars for incumbent worker training.

There is an important difference between employer-focused training and incumbent worker training. In employer-focused training the firm is the primary or at least co-equal customer and the training—whether of new entrants or incumbent workers—is tailored to meet the needs of the employer. Incumbent worker training, when it occurs in this context, is employer-focused; but incumbent workers can also be trained as individuals without reference to the needs of their employers (as, for example, if a local area provided ITAs to the "working poor").

Tailoring the Audit

Employer-focused training is, by definition, customized training. Programs can be customized to the requirements of a single firm or a group of firms with similar needs. As such, employer-focused strategies necessitate a specialized provider inventory. The institutions and organizations that provide training for most employment and training programs frequently are unable to meet the special requirements of employer-focused training. Specialized training requires specialized providers, often smaller and frequently private. Alternatively, employer-focused training programs require WIBs and other local stakeholders to work with different actors within the familiar institutions (for example,

[12] Regional Technology Strategies, A Comprehensive Look at State-Funded, Employer-Focused Job Training Programs, Employment and Social Services Policy Studies Division, National Governors' Association Center for Best Practices, 1999.

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with the business and industry division of a community college). Workplace-based programs are particularly demanding in terms of the level of customization they require.

Workplace-based programs also require more detailed information about the firm than any other kind of training program. This is both because such programs usually have firm specific as well as "transferable" components and because the training has to accommodate itself to the production process and schedules of the firm. These programs also require a high level of buy-in by all the stakeholders in a firm. The most effective approach to obtaining the necessary information is interviews with stakeholders throughout the firm, including frontline workers, frontline supervisors, senior managers, and the union.

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"High Road" Strategies

The Strategy

"High road" strategies are conscious efforts by local areas to target firms, occupations, and industries that will contribute most to the economic health of the region and offer workers decent wages and working conditions. As such, all firms, industries, and jobs are not evaluated as equally valuable and, in fact, some are deemed not to be worthy of public support at all.

One form this strategy is now taking is that some WIBs are refusing to issue Individual Training Account vouchers for occupations that do not meet their criteria. Similarly, WIBs are reserving state and federal incumbent worker training dollars for targeted industry sectors.

For more information on "high road" strategies see the
High Road Partnerships Report
prepared by the AFL-CIO's Working for America Institute and funded by

Tailoring the Audit

Earlier, examples were given of methods local areas can use to measure and compare an industry's value-added and wages. However, areas pursuing "high road" strategies are forced to delve more deeply into the employment and human relations practices of industries and also develop some independent standard of what constitutes a self-sufficient wage for workers in their region.

In the former case, much of the research is qualitative and primary. Surveys and interviews can be conducted with labor unions, industry associations, and companies themselves.

In the latter case, several efforts are underway across the country to develop methods and tools to calculate self-sufficiency standards. All are more relevant to current conditions than the outdated, traditional poverty measure used by the Census Bureau. One of the most ambitious[13] takes into account both regional differences in the cost of living and the needs of families of different size and composition. Many local areas interested in establishing standards have implemented this or a similar survey.

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[13] This is the "Self-sufficiency Standard" developed by Wider Opportunities for Women.

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Community Career Ladders

The Strategy[14]

The community career ladder concept takes the notion of career mapping one or several steps farther into the demand side of the labor market. Rather than simply mapping existing career ladders, the idea is to identify cross-firm or cross-industry skill progressions and then link firms (either through a firm network or through a labor market intermediary) to facilitate the movement of workers from lower level jobs to higher ones. USDOL has funded one or more demonstration project using this model[15]. One effort worth highlighting is the Dane County Wisconsin Community Career Ladder project.

Tailoring the Audit

The Dane County (Wisconsin) Community Career Ladder Project is one of many efforts sponsored by the Dane County Economic Summit Council (ESC), a blue ribbon commission created by order of the County Executive in 1995. The ESC is comprised of leaders from business, labor, government, education and non-profit institutions and its mission is to develop a strategic vision for economic and workforce development in Dane County.

As an initial step toward its goal of creating jobs with a future, the ESC conducted a feasibility study of the community career ladder concept. The methodology began with identification of major local industries. As described in the baseline community audit

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[14] Information for this discussion was taken from several reports prepared by the Center on Wisconsin Strategy (COWS). See their website for lots of useful information on career ladder programs, sectoral initiatives, and conducting community audits: www.cows.org.

[15] See, for example, the project by Washington state—Brokering Employer Services to Create Career Ladders for Low-Income Workers—described in "Lessons from State Demonstration Projects: A Guide to Incumbent Worker Training", by the National Governors' Association Center for Best Practices and the Mid-Atlantic Workforce Brokerage, 1999.

section of this report, industries were identified that were particularly consequential to the region due to levels of concentration, levels of employment, rate of growth, and so on. Given the Commission's concern with low wage, low skill workers, opportunities for entry level workers was also an important selection criterion.

Guided by the Commission and the results of this analysis, three to four industries were then selected. Consortia of firms within each of the selected industries were created and skill maps were developed using, whenever possible, national skills standards adjusted for local differences.

These skills maps were used in two ways. The first was to link dead-end jobs to those with greater income and career potential. In order to do so, there had to be a payoff for both the lower tier firms and the higher tier ones. As such, in looking for appropriate lower tier firms, researchers considered variables such as high turnover. These firms were matched with those that had jobs the next step up the hierarchy.

In some cases, this next step was simply certification by the first employer that the worker had characteristics such as stable work history, responsibility, ability to communicate effectively, to work with co-workers and customers, and so on. In other cases, further skill acquisition was required for the worker(s) to make the step up. Here, skill maps were used as the basis for curriculum development.

Skills Standards

The Strategy

This kind of skills mapping overlaps with efforts to develop skills standards. The notion of using skills standards to create clearer career paths, as well as to provide firms with a more useful way of assessing applicants, has been championed by many nationally and USDOL has launched a major skills standards project. In general this kind of approach requires more resources and more global consensus than is possible for a local area. However, as just described, local areas are usually experimenting with skills standards in the context of a particular sectoral strategy.

Tailoring the Audit

In these local cases, the kinds of standards developed are essentially agreements among firms to recognize a credential or training program as meeting their hiring or promotional standards for workers in a particular occupation. The process of reaching this agreement generally can include surveys and focus groups, generally followed up by the specific work of designing a training program.

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